



COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

B-96 KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET / LOS ANGELES, CALIFORNIA 90012-2706 / (213) 974-1452
<http://consumer-affairs.co.la.ca.us>

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PASTOR HERRERA, JR.
DIRECTOR

July 6, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**Request for Term Extension and Updating of a Cable Television Franchise in
the Unincorporated Areas of Palos Verdes Granted to CoxCom, Inc., a
Delaware Corporation**

(4th District) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD

1. Approve an ordinance to amend the cable television franchise Ordinance No. 89-0097F granting a franchise in the unincorporated areas of Palos Verdes held by CoxCom, Inc., to extend the term through June 30, 2006, and update other terms of the franchise.
2. Introduce, waive reading and place on your Board's Agenda for adoption the attached ordinance that implements the above recommendation.
3. Find that this extension is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e), of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301(b) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

CoxCom, Inc. has a cable television franchise with the County that expires on August 17, 2004. Extension of the current franchise term through June 30, 2006 allows the County sufficient time to amend Title 16, Division 4 of the County Code (Cable Television System Franchises) and negotiate the renewal of this franchise. This

ordinance amends the name of the franchise holder to reflect previously approved transfers by Director's Consent letters from Times Mirror Cable Television of Palos Verdes Peninsula, Inc., to Cox Communications, Inc. and then to CoxCom, Inc., a Delaware corporation. It also amends the name of the Director from the Director of the Internal Services Department to the Director of the Department of Consumer Affairs, and deletes the language referencing the distribution of franchise fees. The distribution of franchise fees is not a matter of agreement with the franchisee. The current distribution of franchise fees is 50% to the General Fund, and 50% to the Cable Fund, and it will remain in effect.

Implementation of Strategic Plan Goals

Approval of this recommendation will assist in implementing the Countywide Strategic Plan goal of fiscal responsibility. This will ensure the continuation of revenue provided to the County by statute.

FISCAL IMPACT/FINANCING

There will be no fiscal impact or cost to the County. This cable television franchise generates revenue to the County. Section 622 (b) of the Cable Act of 1984 (47 U.S.C. §542 (b)) gives a local franchising authority, such as the County, the right to collect franchise fees of no more than five percent (5%) of total gross revenues collected by a cable television operator over a 12-month period. The extension of this cable television franchise will allow continued collection of these franchise fees.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Office of the County Counsel has reviewed the attached ordinance and approved it as to form.

ENVIRONMENTAL DOCUMENTATION

The term extension of this cable television franchise is categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301(b) of the State CEQA Guidelines.

The Honorable Board of Supervisors
July 6, 2004
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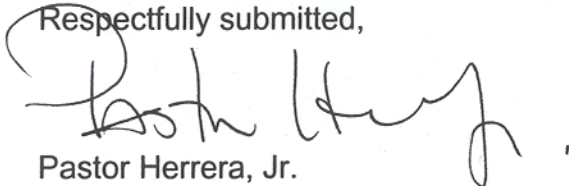
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services.

CONCLUSION

It is requested that the Executive Office-Clerk of the Board notify Mr. James M. Leach, Vice President, Government Affairs, Cox Communications, 29947 Avenida de Las Banderas, Rancho Santa Margarita, CA 92688, the Chief Administrative Officer, the Auditor-Controller, County Counsel, the Department of Public Works, and the Department of Consumer Affairs of the Board's action in this matter.

Respectfully submitted,



Pastor Herrera, Jr.
Director

PHJ:FT:RS

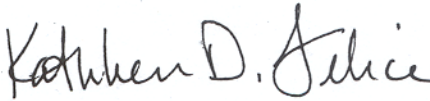
Attachment (1)

c: Mr. James M. Leach, Cox Communications
Executive Officer, Board of Supervisors
Chief Administrative Officer
Auditor-Controller
County Counsel
Department of Public Works

ANALYSIS

This ordinance extends through June 30, 2006, a franchise to operate a cable television system to provide cable television service in Palos Verdes unincorporated areas, granted by Ordinance No. 89-0097F. This ordinance also changes the name of the Franchisee to CoxCom, Inc., a Delaware corporation, to reflect previously approved transfers, clarifies that references to the term "Director" are to the Director of the Department of Consumer Affairs, and eliminates a self-imposed County distribution of franchise fees requirement.

OFFICE OF THE COUNTY COUNSEL

By 

KATHLEEN D. FELICE
Senior Deputy County Counsel
Public Works Division

KDF:ia

03/15/04 (requested)

06/15/04 (revised)

ORDINANCE NO. _____

An ordinance extending through June 30, 2006, a franchise to operate a cable television system to provide cable television service in Palos Verdes unincorporated areas; reflecting changes in the name of the Franchisee to CoxCom, Inc., a Delaware corporation, clarifying that references to the "Director" are to the Director of the Department of Consumer Affairs; and eliminating a self-imposed County distribution of franchise fees requirement.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 1 of Ordinance No. 89-0097F is hereby amended to read as follows:

Section 1. Pursuant to Section 53066 of the Government Code of the State of California, the right, privilege, and franchise is granted to ~~Times Mirror Cable Television of Palos Verdes Peninsula, Inc.~~ CoxCom, Inc., a Delaware corporation, (hereinafter referred to as "Franchisee"), through June 30, 2006, to construct, ~~from time to time and for the period of fifteen (15) years from the effective date of this ordinance,~~ reconstruct, maintain, and to operate a Cable Television System (hereinafter called "System") in the unincorporated ~~territory~~ Service Areas of the County of Los Angeles, described in Section 2 below, and to construct, reconstruct, maintain, operate, renew, repair and remove in the these Service Areas ~~described in Section 2 below,~~ radio and television signal transmission lines and cables and all appurtenances and/or service

connections (hereinafter jointly referred to as "Facilities") which are necessary or convenient for the provision of a System. ~~said~~This grant beingis subject to the faithful performance and observance by Franchisee of all the terms and conditions herein.

SECTION 2. Section 3.B of Ordinance No. 89-0097F is hereby amended to read as follows:

B. Franchisee shall make the monthly payment required herein payable in advance on the first day of each month, beginning with the first payment as required in Paragraph 1), supra, and for the remaining life of the franchise. In addition, Franchisee shall make the annual percentage payment concurrently with the filing of the reports required by Section 16.60.180 of the County Code, which shall be filed within sixty (60) days after the expiration of each franchise payment period during the life of the franchise.

~~Said franchise fee payments shall be distributed by County as follows:~~

- ~~1). Three percent (3%) of the gross revenues to County;~~
- ~~2). Two percent (2%) of the gross revenues shall be placed in an interest bearing trust fund account as provided by the Auditor-Controller of County.~~

SECTION 3. Section 3.D of Ordinance No. 89-0097F is hereby amended to read as follows:

Section 3.D. Franchisee and the Director of ~~Internal Services Department~~the Department of Consumer Affairs, or his authorized representative, (hereinafter referred to as "Director,") may mutually agree in writing to modify the method of monthly

payments to offset the annual franchise fee payment. Any such modification shall consider the annual franchise period as being based on a calendar year.

[CoxComExtKDFCOC]